



Press Release

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The Ministry of Economic Affairs Endorses the Signing of Taiwan and New Zealand's Economic Cooperation Agreement

After many rounds of negotiations starting from May 2012, the delegations from Taiwan and New Zealand are pleased to announce the signing of an economic cooperation agreement, the Agreement between New Zealand and the Separate Customs Territory of Taiwan, Penghu, Kinmen, and Matsu on Economic Cooperation (ANZTEC), on July 10, 2013.

The successful conclusion of ANZTEC consisted of an impressive joint effort that spanned numerous governmental agencies, including the Ministry of the Interior, Ministry of Foreign Affairs, Ministry of Finance, Ministry of Education, Ministry of Justice, Ministry of Transportation and Communications, Ministry of Culture, the Department of Health, the Environment Protection Administration, the Finance Supervisory Commission, the Council of Agriculture, Council of Labor Affairs, the Fair Trade Commission, and the Public Construction Commission. Their active participation as part of the negotiating team led to today's important milestone.

Taiwan is New Zealand's 12th largest trading partner, with bilateral trade totaling approximately 1.207 billion U.S. dollars. Separate feasibility studies done by both sides indicate ANZTEC is expected to expand both Taiwan and New Zealand's market access and consumer welfare. According to Taiwan's study, after the implementation period of 12 years, ANZTEC is expected to result in the increase of Taiwan's GDP by 303

million U.S. dollars, the total national output by 35.626 billion new Taiwan dollars, and add a total number of 6,256 new jobs in Taiwan. Overall, ANZTEC is expected to have a positive effect on both Taiwan's national output and employment.

ANZTEC contains 25 chapters covering a wide range of topics, including Trade in Goods, Rules of Origin, Customs Procedures and Cooperation, Cross Border Trade in Services, Investment, Government Procurement, Dispute Settlement, Technical Barriers to Trade, Sanitary and Phytosanitary Measures, Electronic Commerce, Competition, Intellectual Property, Institutional Provisions, General Provisions (Preamble, Definitions, General Exceptions, and Transparency), Labour, Environment, Indigenous Issues, and Film and TV Co-production.

ANZTEC is a comprehensive market liberalization agreement. Its benefits to Taiwan include:

1. **Tariff Elimination** - For trade in goods, Taiwan will liberalize 99.88% of its tariff lines (excluding rice), while New Zealand will liberalize 100%. Taiwan's main export to New Zealand is industrial products, 99.61% of which will enjoy immediate tariff elimination upon ANZTEC's entry into force. This is highly beneficial for Taiwan's industrial producers, including the small and medium enterprise sector.
2. **Greater Services Market Access** - For trade in services and investment, ANZTEC commits Taiwan and New Zealand to a greater scope of market access than the respective commitments each has made under the current WTO framework. For example, New Zealand will further liberalize its engineering, urban planning, landscaping, research and development (R&D), and

environmental services when ANZTEC enters into effect.

3. **More Government Procurement Opportunities** - Because New Zealand is not currently a party to the WTO Government Procurement Agreement (GPA), the New Zealand government procurement market has been limited for Taiwanese suppliers. ANZTEC opens New Zealand's government procurement markets more widely for the first time, thereby benefiting Taiwan suppliers.
4. **More Flexible Air Transport Services** - ANZTEC incorporates an "open skies" air transport agreement that will facilitate both sides' airline operations, thereby benefiting the trade and tourism sectors in Taiwan and New Zealand.
5. **Higher Environmental Awareness** - ANZTEC also adopts highly progressive international concepts that include adherence to environment policies in trade. Both governments are also actively defining the scope of "environmental goods" to promote their trade and usage.
6. **Further Collaboration on Indigenous Issues and the Arts** - Protection of indigenous rights and collaboration and competitiveness in the arts are issues of great importance to Taiwan and New Zealand. Thus, ANZTEC includes provisions on indigenous issues and film and television co-production to strengthen collaboration between parties of both sides in these industries.

The conclusion of ANZTEC with New Zealand is of great significance to Taiwan, as it marks an important step in Taiwan's strategy for pursuing regional integration and forging deeper connections with the Asia Pacific and global communities. Taiwan is proud to join New Zealand in pursuing

this comprehensive economic and trade strategy with the Asia Pacific region. ANZTEC is a high quality, high standard agreement that demonstrates Taiwan's determination to engage in meaningful trade liberalization and reinforces its ongoing efforts to conclude and participate in other economic cooperation agreements and regional trade agreements in the future.

The Ministry of Economic Affairs welcomes such a great achievement and commits itself to cooperating with other agencies as we continue to promote Taiwan's strategy to participate in regional economic integration and to implement domestic measures leading to further liberalization and improved international competitiveness.

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